

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

2002 Supp.

West Group
Publisher

To amend, on an emergency basis, the National Capital Revitalization Act of 1998, to establish the RLA Revitalization Corporation as a subsidiary of the National Capital Revitalization Corporation, to transfer the functions, duties, powers, and assets of the District of Columbia Redevelopment Land Agency and its Board of Directors, and the functions, duties, and powers performed by the Department of Housing and Community Development and its Director on behalf of the Redevelopment Land Agency and its Board of Directors, to the RLA Revitalization Corporation, to provide for the distribution of income and liabilities between the RLA Revitalization Corporation and the Department of Housing and Community Development, and to abolish the District of Columbia Redevelopment Land Agency.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Redevelopment Land Agency-RLA Revitalization Corporation Transfer Emergency Act of 2001”.

Sec. 2. Establishment of the RLA Revitalization Corporation as a subsidiary of the National Capital Revitalization Corporation and an instrumentality of the District government.

(a) The RLA Revitalization Corporation is hereby established as a subsidiary of the National Capital Revitalization Corporation and as an instrumentality of the District.

(b) The RLA Revitalization Corporation shall:

(1) Have the same Board of Directors as the National Capital Revitalization Corporation; provided, that members of the RLA Revitalization Corporation shall have the District of Columbia as their primary residence throughout the term of their incumbency on the board;

(2) Have the same president and chief executive officer as the National Capital Revitalization Corporation;

(3) Be subject to, and have the powers authorized by, the provisions of sections 3(c), 4(a) and 4(g) through (j), 5, 6, 7, 8, 10, 11, 12, 14(b), 16, 18, and 27 of the National Capital Revitalization Corporation Act of 1998, effective September 11, 1998 (D.C. Law 12-

144; D.C. Official Code §§ 2-1219.02(c), 2-1219.03(a) and (g) through (j), 2-1219.04, 2-1219.05, 2-1219.06, 2-1219.07, 2-1219.09, 2-1219.10, 2-1219.11, 2-1219.13(b), 2-1219.15, 2-1219.17, and 2-1219.26 in the same manner and to the same extent as the National Capital Revitalization Corporation; and

(4) Be subject to the same Council oversight and review as the National Capital Revitalization Corporation.

(c) The RLA Revitalization Corporation shall submit to the Mayor annually the budget of the RLA Revitalization Corporation for its next fiscal year, approved by its Board of Directors, for inclusion in the annual budget that the Mayor is required to submit to the Council pursuant to section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42), and for the approval of the Council pursuant to section 446 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.46).

Sec. 3. Transfer of functions, duties, and powers of the Redevelopment Land Agency to the RLA Revitalization Corporation.

(a) All functions, duties, and powers of the District of Columbia Redevelopment Land Agency and its Board of Directors ("Redevelopment Land Agency"), established by section 4 of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; D.C. Official Code § 6-301.03), and all functions, duties, and powers performed on behalf of the Redevelopment Land Agency by the Department of Housing and Community Development and by the Director of the Department of Housing and Community Development are hereby transferred to the RLA Revitalization Corporation.

(b) The RLA Revitalization Corporation may carry out any function, duty, or power of the Redevelopment Land Agency transferred to the RLA Revitalization Corporation.

(c) This section shall apply upon execution of the Assignment and Assumption Agreement ("Agreement") by and among the Redevelopment Land Agency, the District of Columbia acting by and through the Department of Housing and Community Development, the District of Columbia, and the RLA Revitalization Corporation. Upon execution of the agreement, the Mayor shall file the agreement with the Secretary to the Council.

Sec. 4. Transfer of assets of the Redevelopment Land Agency to the RLA Revitalization Corporation.

(a) All real estate and other real property interests of the Redevelopment Land Agency, including real estate and other real property interests which are not properly titled, and all records and other tangible and intangible personal property, including all causes of action and defenses, are hereby transferred to the RLA Revitalization Corporation.

(b) The RLA Revitalization Corporation shall be a permitted assignee of all real estate and other real property interests of the Redevelopment Land Agency.

Sec. 5. Distribution of income between the RLA Revitalization Corporation and the Department of Housing and Community Development.

(a) Program income generated by leases or non-long-term ground leases held by the Redevelopment Land Agency as of the effective date of this act shall be split equally between the RLA Revitalization Corporation and the Department of Housing and Community Development after deducting the following:

(1) The incidental operating costs related to the Redevelopment Land Agency assets that generate such income;

(2) The administrative costs of the RLA Revitalization Corporation that are eligible for reimbursement under Community Development Block Grant regulations; and

(3) Any other expenses which are eligible for reimbursement under the Community Development Block Grant regulations.

(b) Program income generated by the disposition, through sale, long-term ground lease, or any other method of disposition, of assets of the Redevelopment Land Agency shall be divided as follows:

(1) Sixty percent of the net disposition proceeds shall go to the RLA Revitalization Corporation; and

(2) Forty percent of the net disposition proceeds shall go to the Department of Housing and Community Development.

(c) The Mayor shall include the program income of the RLA Revitalization Corporation as a segregated line item in the budget of the Department of Housing and Community Development that the Mayor is required to submit to the Council pursuant to section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42). If any program income of the RLA Revitalization Corporation is not used by the RLA Revitalization Corporation in a fiscal year, the Mayor shall include the unused income as a segregated line item in the budget, for the next fiscal year, of the Department of Housing and Community Development that the Mayor is required to submit to the Council pursuant to section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42).

(d) For the purposes of this section, the term:

(1) "Administrative costs" means the administrative expenses of the RLA Revitalization Corporation which are eligible to be paid by program income under the Community Development Block Grant regulations.

(2) "Incidental operating costs" means the costs incurred by the RLA Revitalization Corporation in operating and maintaining the leased or ground leased properties, including real estate taxes, insurance policies, water and sewer fees, utility fees, the cost of maintenance and repairs, and the cost of on-site property managers. The term "incidental operating costs" does not include the administrative or overhead costs incurred by the RLA Revitalization Corporation.

(3) “Net distribution proceeds” means the total proceeds received in the disposition of an asset of the Redevelopment Land Agency less the transaction costs incurred by the RLA Revitalization Corporation as a result of the disposition. For the purposes of this paragraph, the transaction costs of the RLA Revitalization Corporation shall include costs associated with appraisal and title work, environmental assessments, real estate advisors, staffing costs, and attorneys.

Sec. 6. Distribution of liabilities between the RLA Revitalization Corporation and the Department of Housing and Community Development.

(a)(1) All segregated and identifiable good faith deposits made by a developer or purchaser of a Redevelopment Land Agency property before the effective date of this act shall be transferred to the RLA Revitalization Corporation.

(2) If a good faith deposit made by a developer or purchaser of a Redevelopment Land Agency property is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the deposit is to be applied as a closing adjustment in a sale or ground lease transaction, 60% of the good faith deposit, including interest accrued on the good faith deposit, to be credited at the closing shall be deducted from the Department of Housing and Community Development’s share of the disposition proceeds.

(3) If a good faith deposit made by a developer or purchaser of a Redevelopment Land Agency property is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the deposit must be returned to a developer before the disposition of the property, then payment of 100% of the deposit shall be the responsibility of the Department of Housing and Community Development. The RLA Revitalization Corporation may deduct from the Department of Housing and Community Development’s portion of program income generated by any Redevelopment Land Agency assets funds sufficient to refund the deposit. If the Department of Housing and Community Development’s portion of program income is not sufficient to refund the deposit in the time required, the Department of Housing and Community Development shall advance to the RLA Revitalization Corporation funds sufficient to refund the deposit.

(b)(1) All segregated and identifiable lease deposits made by a lessee, developer, or purchaser of a Redevelopment Land Agency property before the effective date of this act shall be transferred to the RLA Revitalization Corporation.

(2) If a lease deposit made by a lessee, developer, or purchaser of a Redevelopment Land Agency property is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the lease deposit is to be refunded to a lessee, it shall be the responsibility of the Department of Housing and Community Development to provide 100% of the funds for payment of the deposit, including any interest accrued on the deposit. The RLA Revitalization Corporation may deduct from the Department of Housing and Community Development’s portion of program income generated by any Redevelopment Land

Agency assets funds sufficient to pay the deposit. If the Department of Housing and Community Development's portion of program income deducted by the RLA Revitalization Corporation is not sufficient to refund the deposit in the time required, the Department of Housing and Community Development shall advance to the RLA Revitalization Corporation funds sufficient to refund the deposit.

(c) If a Redevelopment Land Agency asset that was obtained through the use of eminent domain is the subject of litigation or a claim with regard to the amount due to the former owner of the asset and the litigation or claim of the former owner is successful and an additional amount must be paid to the former owner, the amount shall be deducted from the disposition proceeds related to the asset prior to splitting the net disposition proceeds under section 5(b). If the amount must be paid to the former owner prior to the disposition of the asset, the Department of Housing and Community Development shall provide the amount to the RLA Revitalization Corporation for payment to the former owner, and the Department of Housing and Community Development shall be reimbursed from the income from the property.

(d) Environmental liabilities or expenses related or attaching to Redevelopment Land Agency assets, including those related to ongoing obligations as a result of past violations or to the need for remediation or cleanup, shall be discharged solely from program income.

(e) The RLA Revitalization Corporation shall not be responsible for:

(1) Any liability of the Redevelopment Land Agency that arose or arises out of unauthorized activities of the Redevelopment Land Agency or the Department of Housing and Community Development, including commingling of Redevelopment Land Agency funds with Department of Housing and Community Development funds or District of Columbia funds, insurable risks prior to the effective date of the act, or violations of the Community Development Block Grant regulations or other applicable regulatory guidelines, which took place before the effective date of this act.

(2) Any amount due to the United States Department of Housing and Urban Development prior to the effective date of this act which has not been paid by the Redevelopment Land Agency or the Department of Housing and Community Development.

(f) If a liability listed in subsection (e) of this section must be discharged by the RLA Revitalization Corporation, the cost of discharging the liability shall be deducted from the Department of Housing and Community Development's share of program income.

Sec. 7. Indemnification of the RLA Revitalization Corporation by the Department of Housing and Community Development.

The Department of Housing and Community Development shall indemnify the RLA Revitalization Corporation for, and shall hold the RLA Revitalization Corporation harmless from and against, all claims, losses, damages, expenses, penalties, costs, or liabilities, including attorneys' fees and disbursements, related to insurable risks prior to the effective date of this act and from and against any costs that arise out of prior unauthorized activities of the

Redevelopment Land Agency or the Department of Housing and Community Development, including commingling of Redevelopment Land Agency funds with the Department of Housing and Community Development or District of Columbia funds or violations of the Community Development Block Grant regulations or other applicable regulatory guidelines.

Sec. 8. Limit on obligations of the Department of Housing and Community Development; reasonable efforts by the Department of Housing and Community Development.

(a) The obligations of the Department of Housing and Community Development and the District to fulfill financial obligations of any kind under to this act, including indemnification, are subject to the provisions of section 446 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 801; D.C. Official Code , approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46) and 31 U.S.C. §§ 1341, 1342, and 1349-1351.

(b) The Department of Housing and Community Development shall exercise all reasonable, authorized, and lawful authority to satisfy the financial obligations that may arise under this act, including attempting to obtain the necessary appropriations and the reprogramming of available funds.

Sec. 9. Abolishment of the Redevelopment Land Agency.

(a) The District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 790; D.C. Official Code § 6-301.01 *et seq.*), is amended as follows:

(1) Section 3(1) (D.C. Official Code § 6-301.02(1)) is amended by striking the phrase "District of Columbia Redevelopment Land Agency established by section 4" and inserting the phrase "the RLA Revitalization Corporation established by section 2 of the Redevelopment Land Agency-RLA Revitalization Corporation Transfer Emergency Act of 2001, passed by the Council on an emergency basis on October 16, 2001 (Enrolled version of Bill 14-384)."

(2) Section 4 (D.C. Official Code § 6-301.03) is repealed.

(b) This section shall apply upon execution of the agreement by and among the Redevelopment Land Agency, the District of Columbia acting by and through the Department of Housing and Community Development, the District of Columbia, and the RLA Revitalization Corporation.

Sec. 10. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

ENROLLED ORIGINAL

Sec. 11. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia